

Congress of the United States

Washington, DC 20515

February 26, 1999

Mr. John Adams, President, National Resources Defense Council
Mr. Brent Blackwelder, President, Friends of the Earth
Mr. David Burwell, President, Rails to Trails Conservancy
Mr. Philip Clapp, President, National Environmental Trust
Mr. John Flicker, President, National Audubon Society
Mr. Paul Hansen, Executive Director, Izaak Walton League
Mr. Gene Karpinski, Executive Director, US Public Interest Research Group
Mr. Thomas C. Kiernan, President, National Parks and Conservation Association
Mr. Fred D. Krupp, Executive Director, Environmental Defense Fund
Ms. Meg Maguire, President, Scenic America
Mr. Roger McManus, President, Center for Marine Conservation
Mr. William Meadows, President, The Wilderness Society
Mr. Richard Moe, President, National Trust for Historic Preservation
Dr. Robert K. Musil, Executive Director, Physicians for Social Responsibility
Mr. Carl Pope, Executive Director, Sierra Club
Mr. Will Rogers, President, The Trust for Public Land
Mr. Rodger Schlickeisen, President, Defenders of Wildlife
Mr. Mark Van Putten, President and CEO, National Wildlife Federation
Mr. David Younkman, Executive Director, American Oceans Campaign

Gentlemen and Gentlewoman:

Thank you for your comments of February 2 regarding the Conservation and Reinvestment Act of 1998 (CARA '98). On February 10, 1999, we reintroduced the Conservation and Reinvestment Act of 1999 (CARA '99). We wish to express our appreciation for your detailed and comprehensive response to our solicitation for comments on CARA '98. Your letter was given careful review and consideration; as a result of these and other comments, CARA '99 addresses several of the issues you raised. We have chosen to leave other issues for debate during the legislative process, which will continue very soon with hearings in the U.S. House of Representatives. We are pleased by your expressed willingness to work with us during that process in the months ahead.

We also would like to express particular appreciation to those of you who have made staff available to provide their expertise, comments and suggestions during the several months CARA '98 and '99 have been under development. We hope you will find that several changes contained in CARA '99 reflect their efforts to make positive changes to advance this comprehensive conservation and revenue sharing legislation. A summary of some of the key provisions and changes follow.

Title I -- Outer Continental Shelf Impact Assistance

- ◆ We strongly believe that CARA '99 provides no incentives for new offshore drilling and decisively settles any concerns about this bill having an impact on the current federal leasing moratoria. Our bill contains a new provision which *prohibits* an allocation increase

in Title I funds for states which initiate production in areas subject to moratoria. Consequently, there is no incentive for states and local governments to support new leasing as a result of the distribution of revenue or deposits into the OCS Impact Assistance Fund within Title I.

Since introduction, we have heard some comments that the Title I moratoria language does not go far enough to address the perception of incentives included within CARA '99 and that the language should be carried through into Titles II and III. This is a new concern that we did not anticipate. During the past 35-years, the LWCF has proven not to be an incentive for new OCS development. Similarly, for 60-years Pittman-Robertson has been responsible for great success by its funding of conservation projects.

For us, this bill provides a reinvestment of revenue, not a vehicle for providing oil and gas incentives. With this in mind, we want to assure you that the intent of the moratoria provision within CARA was to address moratoria in a manner to resolve the issue of incentives. Leaving Titles II and III open to this debate was not our intention and is a technical correction which will be addressed at the first opportunity. In the interim, we hope that you will work with us to address this imperfection.

- ◆ We believe the pressures of population, development and recreation growth along America's coasts require immediate action. While coastal states receive no share of the revenues from offshore drilling in federal areas, the federal government has for years shared 50 percent of such revenue from *onshore* federal areas with states for impact mitigation. At the same time, Americans are increasingly making the coasts their home, with the National Oceanic and Atmospheric Administration (NOAA) having recently estimated that, during the next 20 years, coastal counties' cumulative populations will soar from 80 million to 127 million. According to the Congressional Research Service (CRS), "Coastal growth is not equally distributed. While coastal Oregon and Washington counties, for example, are likely to grow relatively slowly, coastal areas in the South are likely to grow rapidly."

It is in many of these same areas that offshore oil and natural gas production takes place, providing the revenue that could fund the programs established under our bill. It is only natural that areas closest to production would experience the most significant impacts; that is why we have included proximity to production as a factor in the Title I distribution formula.

- ◆ The impact assistance funds will be made available to states and local governments to address coastal, marine, and other environmental impacts. Our legislation allows states and communities receiving coastal impact aid to direct it for needed projects which will improve coastal communities' environment, health and livability. Some of your informal comments resulted in the addition of aquatic research as an allowable activity, clarification that estuarine areas and planning activities are eligible to receive funding, and a removal of objectionable legislative language.
- ◆ The public will be involved in decision making. We have added a new section to CARA '99 which requires states to develop an impact aid plan with local governments and certify the plan to the Secretary of Interior, with assurance that the plan was developed with public participation. As with CARA '98, the plan must assure project consistency with all applicable state and federal laws.

Title II -- State, Local and Urban Conservation and Recreation

- ◆ The Land and Water Conservation Fund would be permanently funded at \$900 million per year. This landmark provision, which President Clinton matched as part of his Lands Legacy proposal, would finally address the substantial lack of funding available for federal and state activities, in which we have seen only a fraction of the fully authorized funding level during the life of this program. While we understand your desire to see LWCF funding maximized for projects which are a priority to your organizations, CARA '99 retains a substantial revenue stream (more than \$100 million annually) for the Urban Parks and Recreation Recovery Program (UPARR). UPARR has successfully provided our increasingly urban nation with access to the outdoors, contributing to greater understanding and appreciation of our lands, air and waters. Given the tremendous increase proposed for all LWCF activities, we hope you will support UPARR as an integral part of the LWCF legacy.

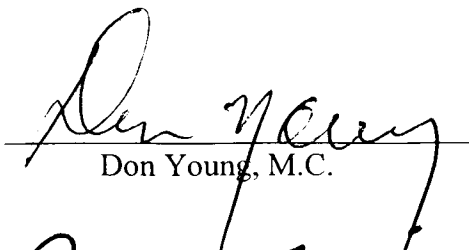
Title III -- Wildlife Conservation and Restoration

- ◆ CARA '99, like CARA '98, provides a permanent dedicated stream of approximately \$350 million for wildlife and their habitats. These funds will be available to states to address critical needs for wildlife (both game and nongame species), including species that are threatened or endangered. We understand your concern in making certain that nongame species' needs are addressed from Title III funds. We strongly believe that the states will utilize these funds for the purposes of this new subaccount within the highly successful Pittman-Robertson fund. We expect to have this issue further addressed during the hearing process.

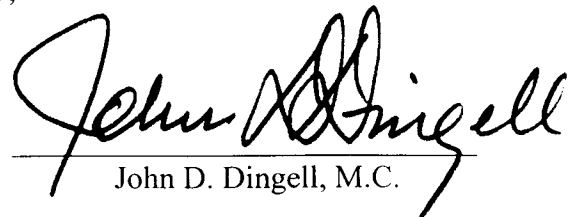
As Members of Congress -- with greatly different political philosophies -- who have labored long and hard on a consensus product, we understand how difficult it probably was for all 19 of you to comprehensively address the many issues raised by this major legislation. There clearly will be many other ideas offered to address priorities other than those contained in CARA '99. While an answer to the budgetary question is still to be resolved, we are certain that sensible budgetary solutions will follow sound policy choices. Your support of this endeavor is important to clearing this critical hurdle.

We look forward to a vigorous discussion on each of those priorities and appreciate the input you have offered so far. We hope you will continue to work with us while addressing policy concerns as well as helping surpass the budgetary hurdle with your support for this historic and bipartisan legislation.

Sincerely,



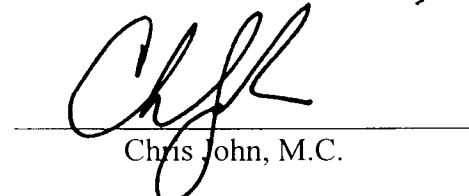
Don Young, M.C.



John D. Dingell, M.C.



W.J. "Billy" Tauzin, M.C.



Chris John, M.C.